

**AUDITED ANNUAL ACCOUNTS FOR THE
FINANCIAL YEAR MARCH 31, 2021**

KALINGA INFRA-PROJECTS LIMITED



S. K. PATODI & CO.

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of
KALINGA INFRA-PROJECTS LIMITED

Report on the IND AS Financial Statements

We have audited the accompanying IND AS financial statements of KALINGA INFRA-PROJECTS LIMITED, which comprise the Balance Sheet as at March 31, 2021, The Statement of Profit and loss and the Cash Flow Statement for the year ended 31st March, 2021 and a summary of significant accounting policies and other explanatory information.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid IND AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2021, its preoperative expenses for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Management's Responsibility for the IND AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these IND AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



Auditor's Responsibility for the audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet dealt with by this Report is in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on 31 March, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to other matters to be included in the Auditor's Report and according to the explanations given to us:
 1. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund.

For, S. K. PATODI & CO.

Chartered Accountants

FRN 327254E


(SANJAY PATODI)

Partner

M. No.062520

Place: Kolkata

Date: 30.06.2021

UDIN: 21062520AAAAX4027

Annexure -A to the Auditors' Report

(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report to the members of KALINGA INFRA-PROJECTS LIMITED of even date)

1. In respect of the company's fixed assets
 - (a) There exists no Fixed assets with the Company; Accordingly clause (i) of the order is not applicable to the Company.
2. The Company is not having any Inventory; hence clause (ii) of the order is not applicable to the Company.
3. According to information and explanation given to us, the company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013. Accordingly, clause (iii) of the order is not applicable.
4. In our opinion and according to information and explanation given to us, the company has not granted any loans or provided any guarantees or given any security or made any investments to which the provision of section 185 and 186 of the Companies Act, 2013. Accordingly, clause(iv) of the order is not applicable.
5. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits and accordingly clause (v) of the order is not applicable.
6. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and accordingly clause (vi) of the order is not applicable.
7. In respect of statutory dues :
 - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales- Tax, Service Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues have been generally regularly deposited during the year by the company with the appropriate authorities.
 - (b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of Income-Tax, Sales- Tax, Service Tax, Goods and Service Tax, Duty of Customs, Duty of Excise and Value Added Tax which have not been deposited on account of any dispute.
8. In our opinion and according to the information and explanations given to us, the company has no outstanding dues to any financial institutions or banks or any government or any debenture holders during the year. Accordingly, clause (viii) of the order is not applicable.
9. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and has not taken any term loans during the year. Accordingly, clause (ix) of the order is not applicable.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.



11. The company is a private limited company and hence provision of section 197 read with schedule V of the companies Act are not applicable. Accordingly, clause(xi) of the order is not applicable.
12. The Company is not a Nidhi Company and accordingly, clause(xii) of the order is not applicable to the Company.
13. According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the notes of the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause(xiv) of the order is not applicable.
15. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, clause(xv) of the order is not applicable.
16. According to the information and explanations given to us and based on our examination of the records of the company, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For, S. K. PATODI & CO.
Chartered Accountants

FRN 327254E


(SANJAY PATODI)
Partner

M. No.062520

Place: Kolkata

Date: 30.06.2021

UDIN: 21062520AAAAJX4027

Annexure –B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of KALINGA INFRA-PROJECTS LIMITED ("the Company") as of 31 March, 2021 in conjunction with our audit of the IND AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised



acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, S. K. PATODI & CO.

Chartered Accountants

FRN 327254E



(SANJAY PATODI)

Partner

M. No.062520

Place: Kolkata

Date: 30.06.2021

UDIN: 21062520AAAAJX4027

KALINGA INFRA-PROJECTS LIMITED

Registered Office:- A-17/10, Surya Nagar, 1st Floor, Unit-VI, Bhubaneswar, OR-751003

CIN No.-U452010R2008PLC010323

E-mail.-shyamsel@ymail.com

BALANCE SHEET AS AT 31st MARCH, 2021

S.No.	Particulars	Notes No.	Amount in (₹)	Amount in (₹)
			AS AT 31-03-2021	AS AT 31-03-2020
1	ASSETS			
	Current assets			
	(i) Financial Assets			
	(a) Cash and cash equivalents	1	988,413	4,357,768
	(ii) Other current assets	2	87,345,199	672,786
	Total Assets		88,333,612	5,030,554
	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share Capital	3	500,000	500,000
	(b) Other Equity	3A	30,883,087 31,383,087	3,263,144
1	LIABILITIES			
	Current liabilities			
	(i) Financial Liabilities			
	(a) Short term borrowings	4	-	50,000
	(ii) Short term provisions	5	10,884,304	1,180,000
	(iii) Other current liabilities	6	46,066,220	37,410
	Total Equity and Liabilities		88,333,612	5,030,554

Significant Accounting Policies

Notes to Accounts

A

1 to 13

S. K. PATODI & CO.

Chartered Accountants

FRN : 327254E

SANJAY PATODI

(Partner)

M. No. 062520

Place: Kolkata

Date: 30.06.2021

For and on Behalf of the Board



Director



Director

KALINGA INFRA-PROJECTS LIMITED

Registered Office:- A-17/10, Surya Nagar, 1st Floor, Unit-VI, Bhubaneswar, OR-751003

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STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31ST MARCH, 2021

S.No	Particulars	Notes No.	Amount in (₹)	Amount in (₹)
			For The Year Ended 31.03.2021	For The Year Ended 31.03.2020
I	Revenue From Operations	7	126,379,414	-
II	Other Income	8	-	6,483,018.00
III	TOTAL INCOME(I+II)		126,379,413.90	6,483,018.00
IV	EXPENSES			
	Purchases	9	88,331,144	-
	Employee benefit exper.se	10	460,000	300,000
	Other Expenses	11	264,023	1,766,252
	TOTAL EXPENSES		89,055,166	2,066,252
V	Profit /Loss Before exceptional items and Tax (III-IV)		37,324,248	4,416,767
VI	Exceptional Items		-	-
VII	Profit Before Tax (V-VI)		37,324,248	4,416,767
VIII	Tax Expense:			
	(1)Current Tax		9,704,304	1,180,000
	(2)Short provision for income tax		-	-
IX	Net (Loss) for the period		27,619,943	3,236,767
X	Other Comprehensive Income		-	-
XI	Total Comprehensive Income for the period		27,619,943	3,236,767
XII	Earnings per equity share of face value Rs 10/-			
	(1) Basic	12	552.3989	64.7353
	(2) Diluted		552.3989	64.7353

Significant Accounting Policies

Notes to Accounts

A
1 to 13

S. K. PATODI & CO.
Chartered Accountants
FRN : 327254E

SANJAY PATODI
(Partner)
M. No. 062520
Place: Kolkata
Date: 30.06.2021

For and on Behalf of the Board

Shatwari

Director

Kiran Agarwal

Director

KALINGA INFRA-PROJECTS LIMITED

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CIN No.-U452010R2008PLC010323

E-mail.-shyamsel@ymail.com

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2021

Particulars	Amount (in Rs.) 2020-2021	Amount (in Rs.) 2019-2020
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax	37,324,248	4,416,767
Non Cash Adjustment for:		
Operating Profit Before Working Capital Changes	37,324,248	4,416,767
Movement in Working Capital:		
Increase/(Decrease) in Other Current Liabilities	46,028,810	8,850
(Increase)/Decrease in Current Assets	(86,672,413)	(344,808)
Cash generated from/(used in) Operations	(40,643,602)	(335,958)
Less: Income Tax Paid	-	-
Net Cash Used in Operating Activities	(3,319,355)	4,080,809
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Loans & advances given	-	-
Net Cash used in Investing Activities	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Increase/(Decrease) in Short Term Borrowings	(50,000)	50,000
Net Cash From Financing Activities	(50,000)	50,000
Net Changes in Cash & Cash Equivalents (A+B+C)	(3,369,355)	4,130,809
Cash & Cash Equivalents - Opening Balance	4,357,768	226,959
Cash & Cash Equivalents - Closing Balance	988,413	4,357,768

S. K. PATODI & CO.
Chartered Accountants
FRN : 327254E

SANJAY PATODI
Partner
M. No. 062520
Place: Kolkata
Date: 30.06.2021

For and on Behalf of the Board

Pratibha

Director

Kiran Agarwal

Director

KALINGA INFRA-PROJECTS LIMITED

Registered Office:- A-17/10, Surya Nagar, 1st Floor, Unit-VI, Bhubaneswar, OR-751003
CIN No.-U452010R2008PLC010323 E-mail:-shyamseel@gmail.com

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	31st March, 2021 Amount in (₹)	31st March, 2020 Amount in (₹)
Note -1		
Cash and cash equivalents		
Balance with banks	350,658	4,346,331
Cash in hand	637,755	11,437
Total	988,413	4,357,768
Note- 2		
Other current assets		
Advance to Creditors	74,685,616	-
MJUNCTION EMD	2,400,000	-
MAT Tax Credit Receivable	2,677	2,677
Advance Tax	8,000,000	-
Income Tax	884,580	-
TDS & TCS Receivable	1,022,843	327,235
CGST Paid	225	-
SGST Paid	225	-
IGST Paid	18,833	17,573
Miscellaneous Expenditure - Incorporation Expenses	44,060	44,060
Audit Fees	42,311	37,591
Licence Fees For Orissa	50,000	50,000
Filing Fees	190,861	190,796
Bank Charges	467	354
Professional tax	2,500	2,500
Total	87,345,199	672,786
Note- 3		
Share Capital		
Authorised Share Capital		
At 1 April 2019	1,000,000	1,000,000
Increase/(decrease) during the year	-	-
At 31 March 2020	1,000,000	1,000,000
Increase/(decrease) during the year	-	-
At 31 March 2021	1,000,000	1,000,000
Terms /Rights attached to the Equity Shares		
The Company has only one class of equity share having par value of Rs 10 /- per share, rank pari-passu in all respects including voting rights and entitlement to dividend.		
In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The Distribution will be in proportion to the number of equity share held by the shareholders		
ISSUED EQUITY CAPITAL	31ST March 2021	31ST March 2020
Equity shares of (NR 10 each issued, subscribed and fully paid)	No. Of Shares	No. Of Shares
At 1 April 2019	50,000	50,000
Changes during the period	-	-
At 31 March 2020	50,000	50,000
Changes during the period	-	-
At 31 March 2021	50,000	50,000
Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates		
Out of equity and preference shares issued by the company, shares held by its holding company, ultimate holding company are as below:		
	31ST March 2021	31ST March 2020
	Amount in (₹)	Amount in (₹)
Shyam Metalics & Energy Limited	500,000	500,000
Details of Shareholders holding more than 5% shares of the Company		
Name of the Shareholder	31st March, 2021	31st March, 2020
(Equity Shares of Rs10/- each fully paid up)	No. Percentage	No. Percentage
Subham Buildwell Pvt Ltd	5,000 10%	5,000 10%
Shyam Metalics & Energy Limited	45,000 90%	45,000 90%



NOTES-3A

STATEMENT OF CHANGES IN EQUITY

Particulars	Equity Share capital	OTHER EQUITY	Total equity attributable to equity shareholders of the Company
		Reserve & Surplus	
		Retained Earnings	
Balance as of April 1, 2019	500000	26,377	526,377
Changes in equity for the year ended March 31, 2019			
Profit for the period		3,236,767	
Balance as of March 31, 2020	500000	3,263,144	3,763,144
Changes in equity for the year ended March 31, 2021			
Profit for the period		27,619,943	
Balance as of March 31, 2021	500000	30,883,087	31,383,087



KALINGA INFRA-PROJECTS LIMITED

Registered Office:- A-17/10, Surya Nagar, 1st Floor, Unit-VI, Bhubaneswar, OR-751003

CIN No.-U452010R2008PLC010323 E-mail.-shyamscl@gmail.com

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	31ST March 2021	31ST March 2020
	Amount in (₹)	Amount in (₹)
Note-4		
Short term borrowings		
Unsecured loan from others	-	50,000
Total	-	50,000
Note-5		
Short term provisions		
Provision for Taxation	10,884,304	1,180,000
Total	10,884,304	1,180,000
Note-6		
Other current liabilities		
Advance from debtors	36,000,000	-
IGST on Sales	-	-
Other payables	10,066,220	37,410
Total	46,066,220	37,410



KALINGA INFRA-PROJECTS LIMITED

Registered Office:- A-17/10, Surya Nagar, 1st Floor, Unit-VI, Bhubaneswar, OR-751003
CIN No.-U45201OR2008PLC010323 E-mail-shyamseel@gmail.com

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDE 31ST MARCH, 2021

Particulars	31ST March 2021	31ST March 2020
	Amount in (₹)	Amount in (₹)
Note-7		
Revenue from Operations		
Sale (Trading Goods)	126,379,414	-
Total	126,379,414	-
Note-8		
Other Income		
Commission Income	-	6,421,340
Interest on Fixed Deposit	-	61,678
Total	-	6,483,018
Note-9		
Purchase		
Purchase of material	88,331,144	-
Total	88,331,144	-
Note-10		
Employee benefit expenses		
Salary & Bonus	460,000	300,000
Total	460,000	300,000
Note-11		
Other Expenses		
Audit Fees	13,400	8,850
Interest on TCS	17,072	-
Conveyance	41,503	-
Office Maintenance	35,584	-
Filing Charges	8,800	1,640
Accounting charges	60,000	60,000
Printing & stationary	38,362	24,250
Commission paid on bank guarantee	-	54,076
Cromine Bidding Document	-	510,000
Demat Charges	7,000	40,500
Mining Permission fees	-	48,200
Iron Ores Bidding Document	-	1,000,000
Bank Charges	-	3,080
General Expense	42,302	15,656
Total	264,023	1,766,252
Note-12		
Earnings Per Share		
Net Profit after tax as per statement of Profit & Loss attributable to Equity Shareholders	27,619,943	3,236,767
Weighted Average no. of shares used as denominator for calculating EPS	50,000	50,000
Basic & Diluted EPS	552.40	64.74



13 Transition to Ind AS

13.1 Basis for Preparation

For all period up to and including the year ended 31st March, 2021, the Company has prepared its financial statements in accordance with generally accepted accounting principles in India (Indian GAAP).

The accounting policies set out in Note A have been applied in preparing the financial statements for the year ended 31 March 2021, the comparative information presented in these financial statements for the year ended 31st March, 2019 and in the preparation of an opening Ind AS balance sheet at 1st April, 2018. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

13.2 Exceptions and Exemptions Applied

IND AS 101 "First-time adoption of Indian Accounting Standards" (hereinafter referred to as Ind AS 101) allows first time adopters certain mandatory exceptions and optional exemptions from the retrospective application of certain IND AS, effective for 1st April, 2015 opening balance sheet. In preparing these Standalone financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

14 Optional Exemptions Availed

a Business Combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Company did not apply Ind AS 103 retrospectively for all business combination occurred before 1st April 2015.

b Property Plant and Equipment

The Company has elected to measure all items of property, plant and equipment at the date of transition to IND AS at their fair value. Company has used the fair value of assets, which is considered as deemed cost on transition. Life of assets has been revisited on transition date and revised estimated life on date of transition has been considered as revised life of all assets. In order to avoid undue cost, efforts and time, the company has adopted deemed cost method i.e. previous GAAP carrying value as the carrying value of Property, plant and equipment as on 31st March 2016 under IND AS.

14.1 Mandatory Exceptions

a Estimates

As per para 14 of Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per para 16 of the standard, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition or at the end of the comparative period.

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statement that were not required under the previous GAAP are listed below:

- Fair Valuation of financial instruments carried at FVTPL and/ or FVOCI.
- Impairment of financial assets based on the expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortized cost.

b De-recognition of financial assets and liabilities

As per para B2 of Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, "Financial Instruments", prospectively for transactions occurring on or after the date of transition to Ind AS. However, para B3 gives an option to the entity to apply the derecognition requirements from a date of its choice if the information required to apply Ind AS 109 to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the initially accounting for those transactions. The company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

c Classification and measurement of financial assets

Para B8 - B8C of Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortized cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortized cost has been done retrospectively.

15 Related Party Disclosures

15.1 List of Related Parties

Sl. No.	Name of related Parties	Relationship
1	Shyam Metals & Energy Limited	Holding Company

15.2 Transactions with related party during the year ended 31.03.2021 & Balance as on 31.03.2021

Sl. No.	Name of related Parties	Amount (₹)	Balance as on 31.03.2021
1	Shyam Metals & Energy Limited	₹ 14,205,759	Cr. 10010240
		₹ 4,195,519	

16 Previous GAAP figures have been reclassified/regrouped to confirm the presentation requirements under IND AS and the requirements laid down in Division-II of the Schedule-III of the Companies Act, 2013.



KALINGA INFRA-PROJECTS LIMITED

Registered Office :- "VISWA KARMA", 1ST FLOOR, 86C, TOPSIA ROAD KOLKATA WB 700046
CIN:- U70200WB2008PTC126484 e-mail :- shyamsel@ymail.com

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended 31st March 2021

1. CORPORATE AND GENERAL INFORMATION

KALINGA INFRA-PROJECTS LIMITED (the company) is a Private Limited Company incorporated in India, having its registered office at, "VISWA KARMA", 1st Floor, 86C, Topsia Road Kolkata – 700046 West Bengal, India. It was incorporated as per the provisions of the Companies Act. The Company is primarily engaged in the business of project development.

2. BASIS OF ACCOUNTING

2.1 Statement of Compliance

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements.

Basis of preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

The financial statements for all periods up to and including the year ended 31st March, 2019, were prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India, which includes the accounting standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and other provisions of the Act (collectively referred to as "Indian GAAP"). These financial statements for the year ended 31st March, 2020 are the first Ind AS Financial Statements with comparatives, prepared under Ind AS. The Company has consistently applied the accounting policies used in the preparation of its opening Ind AS Balance Sheet as at 1st April, 2018 throughout all periods presented, as if these policies had always been in effect and are covered by Ind AS 101 "First Time Adoption of Indian Accounting Standards".

An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note No. 14. Certain of the Company's Ind-AS accounting policies used in the opening Balance Sheet differed from its Indian GAAP policies applied as at 31st March, 2018 and accordingly the adjustments were made to restate the opening balances as per Ind-AS. The resulting adjustment arising from events and transactions before the date of transition to Ind-AS were recognized directly through retained earnings as at 1st April, 2018 as required by Ind- AS 101.



2.1 Basis of Measurement

The financial statements have been prepared on historical cost basis, except for following:

- Financial assets and liabilities that is measured at Fair value/ Amortised cost;
- Non-current assets held for sale – measured at the lower of the carrying amounts and fair value less cost to sell;

2.2 Functional and Presentation Currency

The Financial Statements have been presented in Indian Rupees (INR), which is also the Company's functional currency. All financial information presented in INR as per the requirements of Schedule III, unless otherwise stated.

2.3 Use of Estimates and Judgements

The preparation of financial statements require judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities including contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period prospectively in which the results are known/ materialized.

2.4 Current Vs non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.



3. SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

3.1 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

3.2 Income Tax

Income Tax comprises current and deferred tax. It is recognized in The Statement of Profit and Loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

3.2.1. Current Tax

Current tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities using the tax rates (and tax laws) that have been enacted or substantively enacted, at the end of the reporting period.

3.2.2. Deferred Tax

- Deferred Tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.
- Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
- The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.
- Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.



- Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3.3 Property, Plant and Equipment

3.3.1. Recognition and Measurement:

- Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).
- Cost of an item of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.
- In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use, and estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self-constructed assets.
- If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.
- Profit or loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.
- The company has elected to measure all items of property, plant & equipment at Fair value on the date of transition and use that Fair value as its deemed cost at the transition date.

3.3.2. Subsequent Expenditure

- Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.
- Major Inspection/ Repairs/ Overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any Unamortized part of the previously recognized expenses of similar nature is derecognized.



3.3.3. Depreciation and Amortization

- Depreciation on tangible assets is provided on straight line method at the rates determined based on the useful lives of respective assets as prescribed in the Schedule II of the Act.
- The classification of Plant & Machinery into continuous and non-continuous process is done as per the technical evaluation and depreciation thereon is provided accordingly.
- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed off).
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.3.4. Disposal of Assets

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

3.3.5. Capital Work in Progress

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

3.4 Revenue Recognition

- Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.
- The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specific of each arrangement.

3.4.1. Sale of Goods

Revenue from the sale of goods is recognized when significant risks and rewards of ownership are transferred to customers and the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Revenue from the sale of goods is measured at the fair value of the consideration received or receivables, net of returns and allowances, trade discounts and volume rebates.



3.4.2. Interest Income

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income (FVTOCI), interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

3.4.3. Other Operating Revenue

Export incentive and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received.

3.5 Employee Benefits

3.5.1. Short Term Benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.

3.5.2. Other Long Term Employee Benefits

The liabilities for earned leaves and sick leaves that are not expected to be settled wholly within twelve months are measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation. Remeasurements as the result of experience adjustment and changes in actuarial assumptions are recognized in statement of profit and loss.

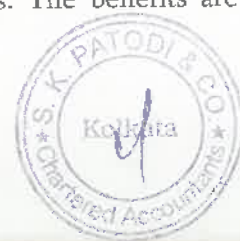
3.5.3. Post Employment Benefits

The Company operates the following post employment schemes:

➤ Defined Benefit Plans

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are



discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation.

Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in other comprehensive income. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss.

➤ **Defined Contribution Plan**

Defined contribution plans such as provident fund etc are charged to the statement of profit and loss as and when incurred. Further for certain employees the monthly contribution for provident fund is made to a trust administered by the company. The interest payable by the trust is notified by the government. The company has an obligation to make good the shortfall, if any. The expenses on account of provident fund maintained by the trust are based on actuarial valuation using projected unit credit method.

3.6 Government Grants

Government grants are recognized at their fair values when there is reasonable assurance that the grants will be received and the Company will comply with all the attached conditions. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Grants related to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight line basis over the expected useful life of the related asset and presented within other operating revenue or netted off against the related expenses.

3.7 Foreign Currency Transactions

- Foreign currency transactions are translated into the functional currency using the spot rates of exchanges at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchanges at the reporting date.
- Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are generally recognized in profit or loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those qualifying assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, the balance is presented in the Statement of Profit and Loss within finance costs.
- Non monetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rate at the transaction date).

3.8 Borrowing Cost

- Borrowing Costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds. Borrowing costs also includes exchange difference to the extent regarded as an adjustment to the borrowing costs.



- Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale. The Company considers a period of twelve months or more as a substantial period of time.
- Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

3.9 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.9.1. Financial Assets

➤ Recognition and Initial Measurement:

All financial assets are initially recognized when the company becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

➤ Classification and Subsequent Measurement:

For purposes of subsequent measurement, financial assets are classified in four categories:

- Measured at Amortized Cost;
- Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
- Measured at Fair Value Through Profit or Loss (FVTPL); and
- Equity Instruments measured at Fair Value through Other Comprehensive Income (FVTOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

- Measured at Amortized Cost: A debt instrument is measured at the amortized cost if both the following conditions are met:
 - The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
 - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.



- Measured at FVTOCI: A debt instrument is measured at the FVTOCI if both the following conditions are met:
 - The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and
 - The asset's contractual cash flows represent SPPI.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the statement of profit and loss in investment income.

- Measured at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.
- Equity Instruments measured at FVTOCI: All equity investments in scope of Ind AS – 109 are measured at fair value. Equity instruments which are, held for trading are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. In case the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment.

➤ **Derecognition**

The Company derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

➤ **Impairment of Financial Assets**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The company recognizes lifetime expected losses for all contract assets and/ or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.



3.9.2. Financial Liabilities

➤ Recognition and Initial Measurement:

Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

➤ Subsequent Measurement:

Financial liabilities are measured subsequently at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

➤ Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

➤ Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

3.10 Impairment of Non-Financial Assets

- The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units – CGU).
- An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.



3.11 Provisions, Contingent Liabilities and Contingent Assets

3.11.1. Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

3.11.2. Contingent Liabilities

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in Other Notes to Financial Statements.

3.11.3. Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

3.12 Non-current assets (or disposal groups) held for sale and discontinued operations

- Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of the carrying amount and the fair value less cost to sell.
- An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of de-recognition.
- Non-current assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Non-current assets (or disposal group) classified as held for sale are presented separately in the balance sheet. Any profit or loss arising from the sale or remeasurement of discontinued operations is presented as part of a single line item in statement of profit and loss.



3.13 Operating Segment

The identification of operating segment is consistent with performance assessment and resource allocation by the chief operating decision maker. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the other components of the Company and for which discrete financial information is available. The company has only one segment "Infrastructure Development".

3.14 Measurement of Fair Values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 — Inputs which are unobservable inputs for the asset or liability.

External valuers are involved for valuation of significant assets & liabilities. Involvement of external valuers is decided by the management of the company considering the requirements of Ind As and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.



4. Significant Judgements and Key sources of Estimation in applying Accounting Policies

Information about Significant judgements and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- **Recognition of Deferred Tax Assets:** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.
- **Useful lives of depreciable/ amortisable assets (tangible and intangible):** Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.
- **Allowances for Doubtful Debts:** The Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.
- **Fair value measurement of financial Instruments:** When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The input to these models are taken from observable markets where possible, but where this not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

